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**Florida House of Representatives Applauds
Governor Rick Scott's Signing of Local Government Pension Reform**

Tallahassee, FL.— The Florida House of Representatives today applauds Governor Rick Scott's signing of Senate Bill 172, the Local Government Pension Reform bill.

"I'm grateful that Governor Scott has signed into law the local government pension reform bill, one of the top priorities of the Florida House," said House Speaker Steve Crisafulli (R-Merritt Island). "Governor Scott has been a champion for fiscal responsibility and job creation, and this bill embodies his goals. Reforming our local pension system will help provide our municipalities stability in forecasting their long-term fiscal plans and will help protect the pensions of our brave police officers and firefighters, who work hard every day to protect our families from harm."

"I thank Governor Scott for signing into law today these reasonable reforms to local retirement plans for our firefighters and police officers," said House Sponsor Travis Cummings (R-Orange Park). "This important legislation has been a priority for the House to ensure the pension plans our brave public servants and their families deserve and depend on are well-funded. With the Governor's signature today, I believe we are helping to protect the future of the individuals who put their own lives on the line every day to protect Floridians."

"It has long been a priority of the House to bring reform to local pension plans," said State Affairs Chairman Matt Caldwell (R-Lehigh Acres). "Ensuring they are stable and well-funded for the future benefits all taxpayers. I thank Governor Scott for recognizing the need for this important legislation and signing it into law today. By reforming these plans now, we are taking the necessary steps toward sustainability for our brave public servants and their families."

SB 172 substantially amends provisions specifying how insurance premium tax revenues must be used in police and firefighter pension plans. Historically, insurance premium tax revenues equal to the amount received in 1997 by a particular plan were used to fund the minimum benefits specified in chs. 175 or 185, F.S., and other retirement benefits. Any insurance premium tax revenues received by a plan in excess of the 1997 threshold were to fund minimum benefits, additional retirement benefits, and defined contribution plans under certain specified situations. The bill authorizes deviation from the historical use of insurance premium tax revenues, including accumulations of additional tax revenues which have not been applied to fund benefits in excess of the defined minimum benefits, by mutual consent of collective bargaining

representatives or majority consent of plan members and consent of the municipality or special fire control district. If mutual consent is not reached, the bill specifies a formula for the use of these funds.

The bill increases the minimum annual benefit accrual rate from 2.0 percent to 2.75 percent, subject to certain exceptions.

The bill grandfathers changes to a plan that are based on that particular plan's reliance on an interpretation by the Department of Management Services (DMS) of the existing statute, as evidenced by correspondence with the DMS between August 14, 2012, and March 3, 2015.

The bill also clarifies that a maximum of 300 hours of overtime may be included for purposes of calculating municipal police pension plan benefits.

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